

MISSING PAGE

ORIGINAL DOCUMENT MISSING PAGE(S):

Tab 19

State Department review completed

18 SEP 1948

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GENERAL

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1. Reported Cominform strategy against ERP--US Embassy
Paris has been informed [] that an important meeting of Cominform agents and trade union leaders recently took place in Prague for the purpose of deciding upon tactics to be used in undermining the European recovery program. [] the Communist group decided to instigate strikes in ports and the European transport system, in accord with the Kremlin view that transport is the most vulnerable point of the European recovery program.

(CIA Comment: CIA considers it highly probable that such a meeting has taken place. Port and transportation facilities offer logical targets for Communist efforts to interfere with the European recovery program.)

2. Cancellation urged for Swedish order of jet aircraft--US
Ambassador Matthews in Stockholm urges the "strongest possible line of action be taken immediately with the British Ambassador" with a view toward cancelling the recent Swedish order for Vampire jet fighters. Matthews believes that this sale will dissipate Swedish anxiety about being isolated and that chances of eventually "getting Sweden into the western camp" are being sacrificed to the short-run interests of the British aviation industry.

The British Foreign Office has informed US Embassy London that it considers the sale of jet aircraft to Sweden justified on the following grounds: (a) if attacked, Sweden would defend itself, and it is desirable for Swedish defenses to be strong; (b) British aircraft contracts contain escape clauses to cover higher priority requirements; (c) deliveries will not begin until mid-1950; (d) orders of this kind are beneficial to the British aviation industry; and (e) the Swedish order is for airframes only.

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NO CHANGE in Class. ☐

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(CIA Comment: CIA believes that the ability of Sweden to purchase modern aircraft abroad will tend to strengthen Swedish adherence to neutrality. Moreover, present indications are slight that the Swedes would soon abandon neutrality in any event.)

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A N N E X

13 September 1948

THE ASSASSINATION OF COUNT BERNADOTTE

The assassination of Count Bernadotte, allegedly perpetrated by Stern Gang terrorists in the all-Jewish Katamon district of Jerusalem, increases the likelihood that a settlement will be achieved in Palestine. The revulsion of feeling throughout the world and the loss of prestige the UN would incur by failing to act may well galvanize the Security Council and the General Assembly into taking action which would not only strengthen its peace machinery in Palestine but also bring about a definitive solution of the entire Arab-Zionist issue. The Provisional Government of Israel (PGI), fearful of further antagonizing world opinion and of losing the decisive support which it has received from the US, will probably be more willing to keep the peace and to accept UN recommendations than in the past. Moreover, it will probably be compelled to attempt the immediate liquidation of the Stern Gang, and possibly Irgun Zvai Leumi as well, in order to ward off full responsibility for the crime. Such liquidations will cost the PGI the military and political strength which the Stern Gang and the Irgun Zvai Leumi have contributed to the Zionist cause and will also confront Israel with a serious internal security problem. Thus, Jewish military strength, which has motivated Jewish opposition to a genuine compromise settlement with the Arabs, will be sharply reduced.

Despite the strong temptation to seize Jerusalem while the Jews are embroiled in internal difficulties, the Arabs are not likely to take military action at this time. The reorganization of the Arab armies has apparently not advanced sufficiently to permit them to take immediate advantage of the situation. Moreover, the Arab governments are not likely to jeopardize the abundant propaganda benefits which will naturally accrue to the Arab cause as a consequence of Jewish responsibility for Bernadotte's murder.

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Because of these considerations, Count Bernadotte's official report to the Security Council, which will inevitably be endowed with greater significance because of its author's tragic death, may well constitute a basis for a definitive solution of the Palestine issue.

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